

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Products Price Changes
Rates of General Applicability

Docket No. CP2012-2

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued December 8, 2011)

The Postal Service is requested to provide written responses to the following questions. To assist in the completion of the record, the answers should be provided on or before December 13, 2011.

1. Please refer to Excel file "NonPublic Annex Jan-errata.xls," lines 20-27, which displays the FY 2012 financial forecast for Parcel Select based upon a January 22, 2012 implementation. The above-referenced file shows that the FY 2012 forecasted cost coverage for Parcel Select is less than 100 percent.
 - a. In the response to supplemental information question 1(d), the Postal Service states the following:

The Postal Service has filed a notice of a competitive price adjustment for Parcel Select rates that demonstrates in the financial forecast that the proposed price increases ensure that Parcel Select as a whole covers its costs, which meets the Commission's requirements.

Please explain how the FY 2012 forecasted cost coverage for Parcel Select (line 26) complies with 3633(a)(2). In doing so, please provide an electronic spreadsheet (along with the applicable input data) that shows how the FY 2012 forecasted cost coverage for Parcel Select is greater than 100 percent.

- b. Please confirm that the Lightweight Parcel Select volume, revenue, and cost estimates (lines 21 and 26) assume that the volumes, revenues, and costs constitute all 12 months of FY 2012. If not confirmed, please explain.
 - c. Please confirm that for FY 2012, Lightweight Parcel Select volumes, revenues, and costs estimates should constitute approximately 9 months (January 22, 2012 through September 30, 2012). If not confirmed, please explain.
- 2. FY 2012 projected revenues for Lightweight Parcel Select will be less than the corresponding attributable costs. How will this affect competitors for Lightweight Parcel Select in FY 2012?
- 3. Please elaborate on the Postal Service plans to increase the price for Lightweight Parcel Select in the future.

By the Chairman.

Ruth Y. Goldway